



Financial Regulations

The Richard Huish Trust

Committee:	Richard Huish Trust Board
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Associated documentation	
Academy trust funding agreement	2018/19
Academies Financial Handbook	2018/19
Academies Accounts Direction	2017/18
Capital Revenue & Reserves Policy	2018
Code of conduct Policy containing Expenses Gifts and Hospitality arrangements	2018

This document sets out the regulations for the Richard Huish Trust

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Introduction

1. The purpose of this manual is to ensure that the Richard Huish Trust (The Trust) maintains and develops systems of financial control, which conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreement with the Secretary of State for Education, through the Education Funding Agency (ESFA).
2. The Trust must comply with the principles of financial control outlined in the Academies Financial Handbook, updated annually. These Financial Regulations expand on that and provide detailed information on The Trust accounting procedures and systems. These regulations and accompanying financial procedures should be read by all staff either directly undertaking a finance role within the Trust or one of its Academies or has delegated authority to undertake financial transactions (raising of purchase orders or sales invoices being two examples).
3. These regulations serve as an adjunct to the scheme of delegation providing information on the day-to-day operations and practicalities forming from these regulations.

Financial Planning

4. The Trust prepares rolling 3 to 5 year budgets for each of its members. These are prepared with reference to ESFA financial efficiencies benchmarking. In compiling the Trust's financial plans any major departure from key financial benchmarks should be highlighted with a narrative explaining the nature of the departure and how, if appropriate, future forecasts address necessary improvements [see <https://www.gov.uk/government/collections/schools-financial-health-and-efficiency>].

The budget cycle

5. The budget cycle is as follows:
 - Autumn term (Sept – Dec)
 - Implementation of current budget plan
 - Monitoring expenditure (continuous-monthly)
 - Reconciliation and closure of previous financial year
 - Spring term (Jan – Mar)
 - Monitoring and Reviewing of year's budget
 - Revised Budget where appropriate
 - Pre-planning new financial year
 - Summer term (Apr – Aug)
 - Planning for forthcoming year
 - Preparation and submission of financial budget plan
 - Review of current year's budget

All requirements of the ESFA, in particular relating to carry forward of unspent funds, will be taken into account in preparing and submitting the budget.

Budget

6. The **Chief Financial Officer (CFO)** is responsible for preparing and obtaining approval for the annual budget. The base budget must be approved by the Trust Accounting Officer (the Chief Executive

Officer - CEO), The Finance and Audit Committee and the Board of Trustees.

7. The base budget will reflect the best estimate of the resources available to the Trust for the forthcoming year and will detail how those resources are to be utilised. There should be a clear link between the development plan objectives and the budgeted utilisation of resources.
8. The budgetary planning process will incorporate the following elements:
 - forecasts of the likely number of pupils to estimate the amount of General Annual Grant (GAG)
 - latest estimate of other ESFA funding e.g. pupil premium, Yr7 Catch-Up or other specific funds
 - review of other income sources available to the academy to assess likely level of receipts
 - review of past performance against budgets to promote an understanding of the academy cost
 - identification of potential efficiency savings
 - review of the main expenditure headings in light of the development plan objectives and the expected variations in cost e.g. pay increases, inflation and other anticipated changes
 - all carry forward balances
 - any unspent grants from the previous financial year
 - any funds held in Trust or deemed to be restricted in nature
9. Comparison of estimated income and expenditure will identify any potential surplus or shortfall in funding. If shortfalls are identified, opportunities to increase income should be explored and expenditure headings will need to be reviewed for areas where cuts can be made. This may entail prioritising tasks and deferring projects until more funding is available. Plans and budgets will need to be revised until income and expenditure are at least in balance.
10. Where a surplus or balanced budget cannot be achieved in year the CFO will work with the relevant school head teacher and Local Advisory Board (LAB-Governing Body) to prepare a forecast that shows the length of time required to bring school finances back into break even. If the school does not have carried forward credit balances that offset the proposed deficit the Trustees of the Trust will agree the nature of any loan and repayment terms with the Head Teacher and LAB.
11. Where a surplus is identified, the Trustees of Richard Huish Trust have agreed a protocol for how such surpluses can be distributed/retained. The Trustees of Richard Huish Trust have set a target for a centrally held reserve of £250,000. Where a school within the Trust makes a surplus in year that surplus is apportioned as below
 - 1/3 retained centrally by the Trust to create the £250K reserve and to maintain it as disbursements are made from it
 - 1/3 retained by the school for future investment the authority for which is delegated to the LGB and Head Teacher for the school
 - 1/3 to be included as part of the following year budget to fund one-off activities the costs of which can be contained within that year
12. If, in year, there is a material (over 3% bottom-line) adverse variance from the base budget this will be escalated to the Finance and Audit Committee as part of the monthly management accounts procedure.
13. The approved base budget is then entered onto the finance system at the start of the new financial year.

Other Government Funding

14. In addition to GAG funding from ESFA the Trust, or one of its Academies, may be awarded specific funding for other projects e.g. Condition Improvement Funds, Additional Special Educational Needs funding etc. This funding may be from the Department of Education or Local Authority. All government funding will be spent in accordance with the terms and conditions imposed, accurately recorded as government income (restricted) and audited externally annually.
15. The **Group Financial Controller** (GFC) is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Other Grants and specific funding

16. In addition to the GAG funding from the ESFA the Trust and other government funding, an individual academy or the Trust may be awarded additional grants from time to time relating to specific projects e.g. Sport England Funding, Football Foundation Funding, Charitable Grants etc. All applications for additional external funding must be approved by the Trust Trustees. All external funding and grants will be spent in accordance with the terms and conditions imposed, accurately recorded as income specific to a certain project and audited externally annually.
17. The GFC is responsible for recording income and expenditure for each grant, providing a reconciliation within the monthly management accounts.

Funds held in Trust

18. Where funds are held in trust the CFO is responsible for ensuring accurate recording of the income and expenditure, as well as ensuring the funds are recognised separately as set out in the memorandum and articles.

Virements

19. Material virements the result of which impact on the bottom-line financial performance of each school shall be approved and minuted by the Finance and Audit Committee in line with the accepted Scheme of Delegation agreed with each school at the start of the school year.
20. Where a LAB is forecasting a material adverse variance to the base budget that could potentially result in the school requiring in-year financial support the Finance and Audit Committee reserve the right to make recommendation to the Board of Trustees that the delegated authority for financial management be reviewed.
21. The CFO is given delegated power to vire from one budget to another, assuming that the bottom-line impact is forecast as negligible, and shall seek approval from the Finance and Audit Committee and retrospectively where the amount exceeds £15,000.
22. All virements exceeding £15,000 shall require prior approval from the Finance and Audit Committee and the Board of Trustees.

Revised Budget

23. Monitoring and analysis of the base budget should be carried out on a monthly basis by the Accounting Officer (CEO) and the CFO and reports forwarded to the Board of Trustees. Each set of

management accounts will include a forecast outturn column that identifies potential material variances from the individual base budget lines.

24. In February of each year the CFO will produce a mid-year forecast that incorporates previously reported forecast assumptions together with any known likely adjusting events forecast to the end of the year. The Mid-year forecast will be recommended for approval by The Finance and Audit Committee to the Board of Trustees. Once approved the mid-year forecast will then form the basis of analysis of all income and expenditure until the financial year end.

Budget Forecast Return

25. The approved budget must be submitted to ESFA by 31 July each year by the CFO. The CFO is responsible for establishing a timetable, which allows sufficient time for the approval process and ensures that the submission date is met. As part of the funding agreement with ESFA The Trust must submit their Budget Forecast Returns in the prescribed format by the due date (<https://www.gov.uk/government/publications/academies-budget-forecast-form>).

Monitoring and review (including management accounts)

26. Monthly reports are prepared by GFC. The reports include:
 - actual income and expenditure against budget (shown as month to date and cumulatively)
 - balance sheet
 - cash flow forecast
 - A narrative that details assumptions underpinning material changes to the forecast outturn together with an update on individual school factors that may or may not have a material financial impact.
27. Any potential overspend against the budget must in the first instance be discussed with CEO.
28. The monthly reports are sent to the Board of Trustees of which the CEO is a member.

Independent checking procedures

29. The Trust will, annually through the Finance and Audit Committee, set a programme of Internal Audit work in line with expectations as described in the Academies Financial Handbook. The Finance and Audit Committee is responsible for securing the services of an appropriately qualified external body to undertake the annual internal audit plan.
30. Where appropriate the External Audit Service will place reliance on work undertaken by the Internal Auditor. Further testing of controls as part of the audit of the Trust's Financial Statements will be agreed with the CFO prior to the commencement of the external audit
31. Where appropriate and in the interests of improving efficiency and best value the Trust will work with other MATs to develop a process of peer review

Review of regularity

32. The CEO, in their role as Accounting Officer, reviews the following documents termly to ensure that the Trust is working within the boundaries of regularity and propriety:
- reviews management accounts
 - reviews compliance against the scheme of delegation
 - reviews transactions for evidence of connected party transactions
 - value for money practice
33. The Accounting Officer has delegated the following responsibilities to CFO:
- adherence to tendering policies
 - review of transactions confirming in line with delegated authorities as set out by the Academies Financial Handbook
 - review of Trustees' minutes
34. A checklist is completed for each review undertaken.

Annual accounts

35. The academy trust must prepare annual audited financial statements for the accounting period to 31 August. The format of the financial statements is prescribed annually through the ESFA Academies Accounts Direction Handbook.
36. The accounts are prepared in house by CFO and GFC. The completion of the financial statements in the prescribed format is undertaken by the External Auditor together with the preparation and ultimate submission of the annual accounts return to the ESFA.
37. The accounts are then submitted as follows:
- by 31 December – to ESFA
 - by 31 January – published on The Trust website
 - by 31 May – to Companies House

Value for money statement

38. As part of the annual accounts the trust must include 3 focussed examples of where value for money, in pursuit of improved educational outcomes, has been achieved.
39. The CFO is responsible for collating the examples that are then confirmed by the Finance and Audit Committee for inclusion within the Value for Money statement.

Audit arrangements

40. External auditors must be appointed in accordance with the Academies Financial Handbook.
41. The CFO is responsible for managing the audit process, by liaising with the auditors, arranging the timetable for accounts and audit completion and ensuring deadlines are

met.

Work undertaken during accounting period

42. The **CFO** is responsible for the following tasks to be undertaken during the year to facilitate a smooth audit process:
- reviewing the structure of the trial balance
 - maintaining a fixed asset register
 - monthly depreciation charges
 - maintaining income and expenditure records (including filing of invoices)
 - reviewing aged debtors for any provisions required
 - maintaining a record of governors/trustees interests, related and connected party transactions
 - control account reconciliations (bank, wages, debtors, creditors)
 - maintaining a record of meeting attendance
 - Monitoring & reporting to the Accounting Officer and Board of Trustees

Work undertaken for the year end

43. The **GFC** is responsible for the following tasks to be undertaken at the end of the year to facilitate a smooth audit process:
- stock take and including of year end stock value
 - prepayments for IT licenses
 - prepayments or accruals for grant income
 - control account reconciliations (bank, wages, debtors, creditors)
 - close down of the purchase ledgers
 - close down of the Sales ledgers and aged debtors
 - pension valuations
 - Pension Audit

Accounts Return

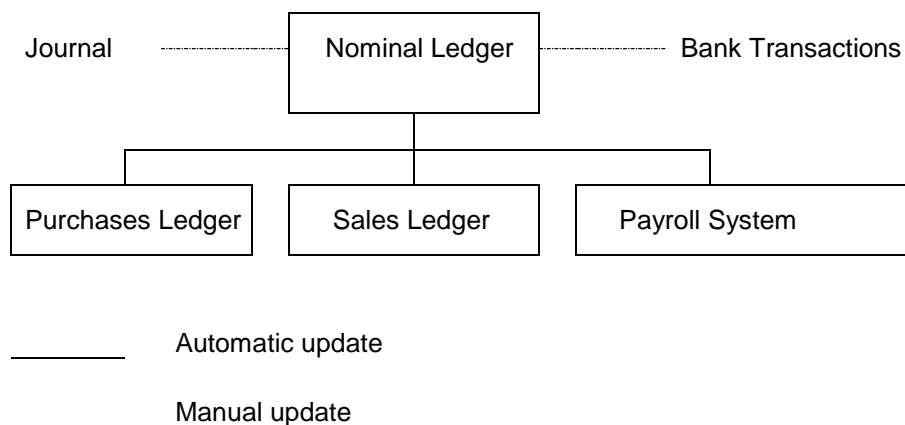
44. The academy trust must prepare an annual accounts return, in the format as prescribed through the ESFA accounts direction handbook, for the accounting period to 31 August. This must be submitted to the ESFA by 31 January.
45. The accounts return is prepared and submitted by the external auditor once approved by the CFO.

Document retention

46. Documents are retained for the following amount of time:
- Finance records – current year plus preceding 6 years
 - Supply cover insurance – current year plus preceding 6 years
 - Payroll and travel records – current year plus preceding 6 years
 - Personnel records – 5 years after an employee has left
 - All student files until the student reaches the age of 21

Accounting system

47. All the financial transactions of the academy trust must be recorded into the Civica computerised financial information accounting system. This system is operated by the Trust Finance Service and consists of:



System Access

48. Access to the system is password restricted to the GFC and other authorised members of the finance service and key Trust and Academy personnel. The CFO is responsible for determining the approved list of system users.
49. When system administrator passwords are changed the new passwords should be placed in a sealed envelope and stored securely in the Finance Service safe. The GFC is responsible for implementing a system that ensures system users change their passwords on a regular basis.
50. Access to the Web Portal for budget holder reports, purchasing of goods and services and the creation of sales invoices is controlled by the GFC. Each Head Teacher is responsible for determining which staff will have delegated authority to hold a budget, each budget holder is responsible for determining who has authority to raise purchase orders and sales invoices and have access to the budget holder report. Once the system users are confirmed the GFC ensures that relevant access is given.

Back-up Procedures

51. The IT Services Manager is responsible for ensuring that there are effective back up procedures for the system. Data is backed up on a suitable medium or server and the copies stored in a secure place (in a fireproof container). Back-up copies are taken on at least a daily basis.
52. A hard copy of the nominal ledger and audit trail are printed each month and stored separately from the accounting system, preferably off-site and in a fireproof container.
53. The disaster recovery plan explains what to do in the event of loss of accounting facilities or financial data. Copies are held in the fireproof container.

Transaction processing

54. All transactions input to the accounting system must be authorised in accordance with the procedures

specified in these regulations.

55. All journal entries are documented on the journal form, and authorised by the GFC/Group Management Accountant (GMA) prior to being input to the accounting system.
56. Bank transactions conducted through the on-line banking system are input by a nominated member of the Finance Service, the CFO, GFC or GMA and are reviewed by the CFO, GFC or GMA as appropriate.

Transaction reports

57. The GFC reviews the following system reports to ensure that only regular transactions are posted to the accounting system:
 - the weekly audit trail reports;
 - masterfile amendment reports for the payroll, purchase ledger and sales ledger;
 - management accounts summarising expenditure and income against budget at budget holder level

Reconciliations

58. The GFC is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:
 - sales ledger control account
 - purchase ledger control account
 - payroll control account
 - VAT control account
 - all suspense accounts
 - Accrual and pre-payment control accounts
 - bank balance per the nominal ledger to the bank statement
59. The GFC evidences proof of review all reconciliations either electronically or by signature on printouts as appropriate.
60. Any unusual or long outstanding reconciling (unreconciled) items are brought to the attention of the CFO and dealt with according to the bad debt limits and reporting thereon within these financial regulations.

Cash Management

Bank Accounts

61. Richard Huish Trust operates all Trust financial transactions from one central bank account. Where a school operates fund-raising events that it wishes to keep separate from Trust funds it is authorised to set up a separate bank account. Under no circumstances should general school or trust related transactions, of any value, be conducted through this account. The nominated controlling officer for the bank account at each school will keep records of transactions that will be audited at least annually by the GFC/GMA.
62. The following procedures must be followed when opening a Trust bank account and operating it:
 - the Trust Trustees are responsible for selecting the banking institution on recommendation from

- the CFO/Finance and Audit Committee
- The CFO is responsible for negotiating the most favourable terms for any such banking arrangements
- the Trust Trustees must authorise the opening of all bank accounts across the MAT
- the CFO will ensure that in the event of changes to key personnel or governors/Trustees within the MAT, signatories will be changed immediately and the bank notified. Any on-line access to banking will also be removed
- terms of arrangements, including cheque signatories or BACS authorisations and the operation of the accounts must be formally recorded and agreement minuted
- the Trust must inform the bank, in writing, that their accounts must not become overdrawn
- the Trust must ensure there are sufficient funds to cover large payments across all MAT accounts

Deposits

63. A deposit must be entered on a copy paying-in slip or listed in a supporting book with the following details:
- the amount of the deposit
 - a reference (for example the number of the receipt or the name of the debtor)
64. The finance service is responsible for updating the accounting system (within 2 working days) for deposits placed.

Payments and withdrawals

65. All cheques and other instruments authorising withdrawal from the Trust bank account must bear the signatures of two of the following authorised signatories in line with the banking mandate:
- The CEO
 - The CFO
 - The GFC
 - The GMA
66. This provision applies to all accounts, public or private, operated by or on behalf of the Trust including funds held in trust. Authorised signatories must not sign a cheque relating to goods or services for which they have also authorised the expenditure.
67. For approved school based fund-raising bank accounts the Head teacher must always be a signatory to the account and be one of the signatories to all cheques/approve any withdrawal of funds. Where the school has a dedicated business manager they will also be expected to be an authorised signatory. The Head Teacher may also nominate other senior members of staff as signatories
68. The banking mandate for the Trust will be set up with the following payment authorisation levels
- For online bank transfers or BACS payments up to the value of £50,000 any two from the above list
 - For online bank transfers or BACS payments up to £150,000 at least one of the authorisers must be the CFO or CEO.
 - For online bank transfers or BACS payments over £150,000 both the CEO and CFO must

authorise

Cheque signatory arrangements are as follows

- Cheques up to the value of £250 any one from the above list
 - Cheques up to the value of £5,000 any two from the above list
 - Cheques over £5,000 both the CEO and CFO
69. The payment of salaries via BACS will ordinarily be processed by the service provider. Limits for authorisation will be set by the CFO with reference to the average monthly net pay commitment. The same authorisation levels as set out in (61) bullet point two will apply
70. The GFC or nominated member of the Finance Service is responsible for updating the accounting system (within 2 working days) with the details of the withdrawal.

Administration

71. The GFC ensures bank statements are received regularly and that reconciliations are performed at least on a monthly basis. Reconciliation procedures must ensure that:
- all bank accounts are reconciled to the academy's cash book
 - reconciliations are prepared by the Finance Service
 - reconciliations are subject to an independent monthly review carried out by **GFC** or in his/her absence the CFO.
 - adjustments arising are dealt with promptly

Petty Cash

72. Each Academy maintains a maximum cash balance of £500 for the purchase of minor items, which is held in the office safe and is the responsibility of the nominated finance service member of staff.
73. The petty cash float must not be used for:
- cashing personal cheques
 - paying staff loans
 - Cash advances to members of staff save for where this can be evidenced as being wholly in-line with their job role

Petty cash payments

74. In the interests of security, petty cash payments are limited to £25. Payments are made on production of a valid till receipt or other proof of payment and are subject to the same authorisation procedures as purchases from the main bank account. Transactions must not be falsely sub-divided to achieve multiple values of £25.

Petty Cash administration

75. The petty cash float is maintained on the imprest system and the float is only reimbursed from the Trust bank account.

76. The petty cash float is reconciled monthly by the nominated finance service member. The reconciliation is then reviewed by GFC/GMA and initialled as evidence of review as part of the month-end procedures.
77. The GFC/GMA carry out a spot check of the petty cash float once a term.

E-procurement & Payments

78. Each Trust school has the opportunity to use a Trust credit card, supplied by the Trust banking services provider. The school credit cards must only be used only when it is not practical to use the Trust purchase order procedure. It is used mostly for internet purchases and to buy refreshments for meeting etc.
79. The Head Teacher for each school within the Trust will be issued with a credit card. They can nominate up to two additional card holders by prior agreement with the CFO. Where the school has a business manager or secretary role one of the two nominees must be that person. The CFO will be issued with a credit card for the Trust that can be used in cases of emergency for a Trust school. All card holders will be responsible for the safe keeping of their credit cards.
80. Any school department wishing to make a purchase on credit card must complete a Purchase Order through the Finance System Web Portal and seek authorisation from the budget holder. Once authorisation is confirmed the credit card can be used via the school business manager/secretary or finance service staff member who will make the purchase.
81. On an at least monthly basis the credit card account for each school will be reconciled. Each transaction must have an authorised credit card order form and a VAT invoice. Where either the purchase order form or the invoice is missing it is the responsibility of the card holder to ensure that this is rectified promptly. If the goods are not received it is the responsibility of the member of staff making the order to inform either the school business manager/secretary or the finance service staff member so that remedial action can be taken. A cashbook journal is completed for each reconciliation by a designated finance service staff member.
82. The credit card statement along with all the relevant order forms and invoices are then given to the authorised Finance services staff member who will check the statement and sign an authorisation sheet. The GFC/GMA will check a sample of the transactions (minimum of 3 or 20% whichever is the maximum), and sign the authorisation sheet as part of the month end review.

BACS Payments

83. *Wherever possible, in the interests of efficiency and best value, all payments to creditors will be made via BACS.*
84. Payments of creditor invoices are usually paid every two weeks in line with individual invoice credit terms, with reference to the cash flow forecast prior to submission. The authorised finance services member prepares the payment run and presents it to the GMA or GFC for review. Online authorisation is in line with levels established in regulations 65-70.
85. The Trust will make best endeavours to pay invoices in line with credit terms, ensuring that wherever possible early payment discounts are taken. The web-based purchase ordering system is used to secure budget holder authorisation for invoices when received. In order for the finance service to meet payment terms it is vital that budget holders authorise invoices promptly. The finance services staff member must check that there are sufficient funds available in the current account to cover the

payment batch before requesting authorisation.

86. The Finance service member ensures that evidence is kept of the employment status test criteria applied, when dealing with payments for services to individuals. Where an individual has been assessed as self-employed and declares as such, the school business manager/secretary should request that the individual states their self-employment reference number on any invoice issued to the school and provide relevant evidence from HMRC.

Investments

87. Investments are made in accordance with regulations contained within the ESFA Academies Financial Handbook and any other related guidance laid down by the funding body. All investments must meet the charitable purposes of the Trust and must be approved by the Board of Trustees. No Academy/school can enter into an investment without the prior written consent of the Board of Trustees. The CFO will make the case for investment and present to the Finance and Audit Committee of the Trust for recommendation to the Board of Trustees.
88. All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Where necessary additional procedures relating to the operating /holding of the investment will be compiled to ensure any income receivable/all benefits from the investment is received.

Reserves

89. [Copied from regulation 11]. Where a surplus is identified, the Trustees of Richard Huish Trust have agreed a protocol for how such surpluses can be distributed/retained. The Trustees of Richard Huish Trust have set a target for a centrally held reserve of £250,000. Where a school within the Trust makes a surplus in year that surplus is apportioned as below
- 1/3 retained centrally by the Trust to create the £250K reserve and to maintain it as disbursements are made from it
 - 1/3 retained by the school for future investment the authority for which is delegated to the Lab and Head Teacher for the school
 - 1/3 to be included as part of the following year budget to fund one-off activities the costs of which can be contained within that year
90. The CEO as Accounting Officer must inform ESFA immediately if a Trust deficit is anticipated.
91. If the Trust is anticipating a deficit at the end of any financial year, the Board of Trustees and the CEO have a responsibility to ensure action is taken at the earliest opportunity to address this issue. This action may include the removal/reduction of delegated powers given to Academy/School LABs for financial management. The Board of Trustees must ensure that a recovery plan is submitted and approved by the ESFA.
92. In line with regulation 11, repeated in 90 above the Trust undertakes to make best endeavours to ensure that a contingency reserve of up to £250,000 is retained centrally.

Capital Reserves

93. Each Academy/school retains its Devolved Formula Capital allocation given by the ESFA annually. Any surplus balances at the end of the year are carried over to the following year. Where a Academy/School secures other capital grant funding it is their responsibility to ensure that the grant is spent in line with the purpose for which it was given.
94. It is the responsibility of CFO to keep accurate records of the capital funds, especially where grants have been received for capital projects and to check that they are spent appropriately.

Endowments

95. The CFO is responsible for accounting for the transactions within any established endowment funds.
96. Any transactions must be in line with the memorandum and articles.

HR and Payroll

Staff Appointments

97. The Board of Trustees has approved a Human Resources service for the Trust. Changes can only be made to this service with the express approval in the first instance of the CEO. Each Academy/School will plan an establishment requirement as part of the budget setting process. This will be approved by the CEO prior to submission to the Board of Trustees (through the Finance and Audit Committee) for ultimate approval. The Head Teacher of each Academy, through the CFO, must ensure that there are sufficient sustainable funds available prior to requesting any additions to the permanent salaried establishment.
98. The Head Teacher, subject to the availability of budget, has authority to appoint staff within the authorised establishment except for designated members of the Senior Management Team whose appointments must follow consultation with the Local Advisory Body and the Trust Board of Trustees. The Head Teacher maintains personnel files for all members of staff that include contracts of employment. All personnel changes must be notified, in writing, to the Trust HR Director immediately.
99. The Head Teacher for each school, is responsible for obtaining the relevant DBS checks and ensuring these are retained on file

Payroll Administration

100. Payroll is administered through the Trust's payroll service provider.
101. All staff are paid monthly through the payroll provider. A personnel and payroll record is created for each employee which includes:
 - personal details
 - Post details and salary
 - bank account details
 - taxation status
 - any deductions or allowances payable
 - other legal and relevant details

102. New records can only be created by the payroll provider on receipt of documentation from the Academy/School business manager/secretary authorised by the Academy/School Head Teacher or their appointed deputy. The payroll provider must be advised of any personnel or payroll record amendments each month prior to the payroll run. Any change must be authorised by the Academy/School Head Teacher or their appointed deputy.
103. Each month the payroll provider will provide a full staff list to each Academy. Any appointments, terminations, absences and additional/supply/casual hours must be recorded on the staff list by the Academy/School business manager/secretary prior to authorisation by the Academy/School Head teacher, or their appointed deputy. Authorised staff returns should be sent to the HR/Payroll services provider, in line with agreed procedures and agreed deadlines each month.
104. Timesheets for additional hours, temporary work or overtime undertaken are completed by the employee. The completed request must be authorised by the budget holder prior to submission to the school business manager/secretary or HR services provider for entering onto the prescribed payroll input document. The Head Teacher or their nominated senior manager must authorise the payroll input document prior to submission to the HR/Payroll service provider.
105. The HR/Payroll services provider will establish a calendar of monthly deadlines for processing salary payments, at least quarterly in advance. It is the responsibility of the Academy/School business manager/secretary to ensure that Academy colleagues are aware of key monthly deadline dates.

Payment of salaries

106. Before payments are dispatched a printout of all data should be obtained, including an exceptions report from the payroll provider. The CFO is responsible for checking the exception report against source documentation. Authority to release payment will be by either the CEO or CFO.
107. All salary payments are made by BACS.
108. The HR/Payroll services provider prepares a reconciliation between the current month's and the previous month's gross salary payments showing adjustments made for new appointments, resignations, pay increases etc. This reconciliation is reviewed and signed by the CFO.
109. The payroll system automatically calculates the liabilities due from payroll to comply with current legislation. The major deductions are for tax, National Insurance contributions and pensions. The amounts payable are summarised on the liability report and BACS submissions for these amounts are prepared by the Finance services and authorised for payment in line with the BACS limits as established in regulations 65-70.
110. The HR/Payroll service provider will randomly select at least three employees each month and checks the calculation of gross to net pay to ensure that the payroll system is operating correctly. The check is recorded and available for checking by the GFC and reviewed by the CFO on an at least termly basis.
111. After the payroll has been processed the payroll provider will provide a nominal journal to update the nominal ledger. Postings will be made both to the payroll control account and to individual cost centres/nominal analysis codes. The Finance Service should review the payroll control account each month to ensure the correct amount has been posted from the payroll system and that individual cost centres have been correctly updated. Postings are not allowed to suspense and must be resolved prior to the posting of the payroll journal.

112. Annually, the HR/Payroll service provider checks that each member of staff's gross pay paid through payroll system agrees to the contract of employment held on the personnel file.

Salary advances

113. The Trust does not award salary advances save for where a new member of staff could be financially disadvantaged by the payroll processing cut-off date. In these cases the Academy Head Teacher should confirm the nature of the arrangements with the GFC prior to agreeing payment with the employee. The HR/Payroll service provider will confirm that any payment is capable of being recovered through the next available pay run.

Overtime

114. Overtime is recorded by the individual and submitted in line with the monthly payroll processing deadline. Each claim has to be approved by the relevant head of department/staff manager and approved by the Head Teacher or a designated senior manager in cases of absence. All claims must be presented to the business manager/secretary or HR service provider who records and retains all claims made for the month prior to submission to the payroll services provider on the prescribed form. Where possible claim forms should be scanned and stored electronically before dispatch to the Payroll service provider. It is the responsibility of the business manager/secretary or HR services provider to collate, check authorisations and submit claims by the due date.
115. Claim forms must not be submitted prior to work having been undertaken.
116. No payments for work undertaken will be made other than via the payroll system.

Severance payments

117. Severance payments must be made in line with the Academies Financial Handbook.
118. The Trust is able to self-approve the non-contractual element of severance payments up to £50,000. A business case must be presented before agreeing a payment, using the form provided by ESFA on Gov.uk.
119. Where the non-contractual element is on or over £50,000 prior approval from ESFA must be sought.
120. The Accounting Officer must sign off and review each business case.

Ex-gratia payments

121. Any ex-gratia payments must be made in line with the Academies Financial Handbook and submitted to ESFA for prior approval.

Income

ESFA grants

122. The main sources of income for the academy are the grants from the ESFA. The receipt of these sums is monitored directly by CFO who is responsible for ensuring that all grants due to each academy/school within the Trust are collected.

Other grants

123. The receipt of these sums is monitored directly by the Academy/School business manager/secretary or finance service staff member who is responsible for ensuring that all grants due to the academy are collected.

Trips

124. A lead member of staff must be appointed for each trip to take responsibility for the collection of sums due. The lead teacher must prepare a record for each student intending to go on the trip showing the amount due. A copy of the record must be given to the designated Academy/school role outlined in the detailed trips procedures.
125. Payments should be made via the online payment portal or directly to the Academy/school business manager/secretary or Finance service where no e-payment option exists. A receipt must be issued for all monies collected and the value of the receipt and the number of the receipt recorded against the student making the payment.
126. All trips are recorded through the ParentMail system. The trip leader is responsible for ensuring that all monies are collected by the due date and that all personal pupil details are accurate, including medical and emergency contact details.
127. Trips should be run at cost price, although allowance can be made for administrative fees and additional staff cover. If the school decides to subsidise the school trip the amount of subsidy must be approved by the Head Teacher who must confirm that there is sufficient funds in their budget in advance of the booking being made.
128. Once a parent/carer has authorised the trip acceptance form and paid there deposit no refund should be given save for extenuating, usually medically related, circumstances or where the place can be taken by another pupil. In the latter circumstances any cost of transfer will be deducted from the refund.

Catering

129. Where the catering service is outsourced The Trust, through its shared services provider, uses a third-party specialist to ensure that charges are levied only for services duly authorised and in line with contract charge rates. Contracted out service providers will be responsible for the recording and reconciliation of monies taken. Pupils eligible for free school meals will be established at the start of the academic year, the service provider is responsible for keeping accurate records of meals claimed by students. These arrangements will be covered within the contract for services.

If cash payments

130. Where the Academy delivers an in-house service cash payments must be reconciled on a daily basis by the Academy/School business manager/secretary or Finance service staff member to the lunch records and signed as evidence of reconciliation. The school meal numbers and cash totals are then to be entered onto the weekly banking sheet. The cash is kept in the safe prior to weekly collection for banking. The same staff member/s must reconcile the weekly banking sheet to actual receipts banked and retain these records for review by the GFC/GMA as part of the monthly management accounting procedures.

If electronic cash collection

131. Where parents/carers have access to an e-payment service the account must be reconciled on an at least weekly basis. Where the payment system generates an interface file to the finance system this must be reconciled prior to posting. A monthly reconciliation is conducted as part of the month end procedures and reviewed by the GFC/GMA.

Lettings

132. Each Academy/School will nominate a staff member to take responsibility for maintaining records of bookings of facilities and for identifying the sums due from each organisation. Payments must be made in advance for the use of facilities. A booking will not be allowed to take place if the account has not been settled in full.
133. A hire charge tariff schedule will be established on an annual basis and agreed with the CFO prior to any bookings being made. The schedule will include the basis on which discounts can be given, all of which must be approved by the Head Teacher in advance of the booking being agreed. There are no discretionary arrangements outside of the agreed tariff schedule.
134. Details of organisations using the Academy/School facilities will be held by the nominated staff member. A sales ledger account will be established and a sales invoice produced via the Finance system web portal.
135. Copies of the hiring organisations up to date relevant Public Liability, indemnity, insurance and qualifications (where relevant e.g. H&S, First Aid, Instructor etc.) are kept with the Letting Agreements and are reviewed at least annually.

Sundry income

136. Income from other sources (for example educational consultancy) is priced in consultation with Head Teacher and the HR Services Manager. The transaction must not be undertaken until the price has been agreed. Payment for the services should be made prior to the commencement of the works. Where a request for credit is made this must be approved by the GFC of CFO in their absence prior to any booking being confirmed.

Gift aid

137. The Trust and each Academy is able to claim Gift Aid on donations from individuals. To ensure that Gift Aid receipts are claimed the GFC, as part of the month end procedures must
- reconcile income against records to confirm expected amounts have been received by the donor
 - ensure the tax reclaimable from HMRC has been obtained, or been claimed, and any relevant

business use deductions have been made.

Recovery of unpaid invoices and bad debts write-off

138. The Trust and all its Academies/schools will endeavour to collect all monies due. Invoices that have not been paid within the standard 30 days credit terms, or in advance of a facility booking commencing as previously outlined, will be chased up by telephone at least 5 days before payment is due. Should the invoice remain unpaid a statement will be issued to the debtor followed within 7 days by a formal reminder letter should the debt remain unpaid. A final notice will be issued within 30 days of the issuing of the first reminder stating clearly that any further costs associated with debt recovery will be added to the outstanding amount.
139. If the debt remains unpaid after 3 months, or it becomes clear that the debt will not be repaid, the Academy/School business manager/secretary or Finance Services staff member submits a report to the CFG for further action or approval of write off. If the debt is in excess of £1000 consideration should be given to instructing a debt recovery agency to start recovery proceedings and ultimately proceeding to formal legal recovery channels if there is a reasonable probability of success.
140. Where a debtor has a debt written off the Company/Organisation or Individual will not be allowed to use the facilities again until such time as all outstanding monies and associated recovery costs are paid. In any event, credit will not be extended to any debtor that has had a debt written off even if they have subsequently cleared that debt.
141. The following write off limits apply:
- Up to £250 – CFO
 - £251 to £1000 – CEO
 - Over £1000 – Finance and Audit Committee with a report to the Board of Trustees on a termly basis

Purchasing

142. The Trust and all its members must strive to achieve value for money on all purchases. A large proportion of our purchases are paid for using public funds and we need to maintain the integrity of these funds by following the general principles of:
- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust or one of its Academies
 - Accountability, the Trust and each of its Academies is publicly accountable for their expenditure and the conduct of its affairs
 - Fairness, that all those dealt with by the Trust and its Academies are dealt with on a fair and equitable basis

Routine Purchasing

143. Authorised budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Data detailing actual expenditure and committed expenditure (orders placed but not paid for) against budget is available to each budget holder through the Finance system Web portal in real-time. The Head teacher has access to all Academy/School budgets through their portal login.

144. Orders for goods or services up to £1,000 in value can be placed by budget holders. Splitting a purchase up to keep the value below £1000 is absolutely forbidden.
145. In the first instance a supplier should be chosen from the Trust list of approved suppliers maintained by the Finance Service. Where practicable an official quote or price must always be obtained from the supplier prior to any order being placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed in advance with the GFC/GMA.

E-procurement

146. It is expected that most of the procurement of goods and services will be through the Web portal. It is accepted that there may be times where a purchase, particularly where an on-line seller provides the best value alternative, that the use of the Academy/school credit card provides the best solution. Any department wishing to make a purchase using the Academy/School credit card must follow the regulations 79 and 80.

Orders

147. All purchase requisitions must be submitted through the Finance System Web Portal. It is the responsibility of the staff member placing the requisition to complete all details on the PO portal input form including the department code and budget nominal from which the purchase will be made. The Web PO system uses workflow technology to direct the requisition to the budget holder for the staff member placing the order. The budget holder is alerted by the PO system that a requisition needs to be authorised, once the budget holder has authorised the requisition the workflow directs the transaction to the Finance Service for completion of the requisition into an official Trust order or, if the order is above their authorisation limit, to the next authoriser within the workflow prior to completion by the Finance Service.
148. Once all levels of authorisation are obtained the purchase requisition is downloaded from the Web portal to the Civica Purchase Ordering module, at which point an official Trust Purchase order number is allocated. Orders will be dispatched to the supplier from the Finance Service. At no point in time should a budget holder, or any member of staff, place an order with a supplier over the telephone without first having secured a purchase order number from the Finance Service.
149. The budget holder must make appropriate arrangements for the delivery of goods. On receipt the budget holder nominated staff member must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay.
150. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the order must updated on the Purchase Order Web Portal. The Finance Service will not pay any invoice until such time as the order has been satisfactorily fulfilled.
151. All invoices from suppliers should be addressed to the Finance Service. Invoice receipt will be recorded by the Finance Service (and the invoice scanned) into the Financial Information System purchase ledger module). The Web Portal workflow is used to complete the invoice authorisation process, the budget holder should only authorise an invoice for payment once they are satisfied that the: -

- invoice arithmetically correct
- invoice posted to purchase ledger
- goods/ services has been received
- goods/services are as ordered
- prices are correct

Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt through the Web Portal.

152. If a budget holder is pursuing a query with a supplier the Finance Service must be informed of the query and periodically kept up to date with progress.
153. At the end of each week the Finance Service will produce a list of outstanding invoices from the purchase ledger and this list together with supporting documentation will be reviewed by the GMA or GFC in their absence.
154. The Finance Service will then input details of payments to be made to the purchase ledger and generate the payment. The Trust expects all payments to suppliers to be made electronically through BACS. On the rare occasion where a payment can only be made via cheque the cheque and associated paperwork must be authorised by two of the nominated cheque signatories.
155. BACS payments are input by the Finance Team and authorised on-line by two signatories in accordance with the banking policy and procedures (see E-procurement and Payments above).
156. Detailed procedures for raising purchase requisitions through the Web Portal are available from the Finance Service.

Orders over £2,000 but less than £20,000

157. At least three written quotations should be obtained for all orders between £2,000 and £20,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made and made in accordance with value for money principles.

Orders over £20,000

158. All goods/services ordered with a value over £20,000, or for a series of contracts which in total exceed £20,000 must be subject to formal tendering procedures.

Official Journal of the European Union

159. Purchases over the OJEU threshold are to be dealt with in accordance with OJEU and will be undertaken by the CFO. Wherever possible existing framework agreements should be used unless there is a reasonable chance of achieving better value through a formal process.

Trading with related parties

160. Trustees and members of the Trust and all its Academies will complete an annual register of business interests. Senior staff of the Trust and each of its Academies will complete the same declaration.

161. Where a particular director or member feels that they have a conflict of interest in relation to a specific agenda item these interests should be declared at the start of the meeting and recorded by the Clerk. If appropriate the Director or Member should withdraw from the meeting for that agenda item, under no circumstances can the director or member vote on any recommendation.
162. Where trading takes place with a related party records of the service/goods supplied should be kept separately together with a statement outlining why this method of procurement represented best value. Related Party Transactions will be recorded in line with accounting standards in the Financial Statements.

Trading with connected parties

163. The Trust or its Academies must comply with guidance as stipulated in the Academies Financial Handbook. As with all procurement best value principles will be adhered to at all times.

Goods and services for private use

164. No goods are ordered or services provided to include any elements of private use by Trustees, Members and staff.

Forms of Tenders

165. There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with GFC how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs,
 - a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements,
 - the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders,
 - only one or very few suppliers are available,
 - extreme urgency exists,
 - additional deliveries by the existing supplier are justified.

Preparation for Tender

166. Full consideration should be given to:
- objective of project
 - overall requirements
 - technical skills required

- after sales service requirements
 - form of contract.
167. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.
168. A tender brief must always be prepared and is reviewed by CFO.

Invitation to Tender

169. If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.
170. An invitation to tender should include the following:
- introduction/background to the project
 - scope and objectives of the project
 - technical requirements
 - implementation of the project
 - terms and conditions of tender
 - form of response
 - dates for decision and work to be delivered

Tender Acceptance Procedures

171. The invitation to tender should state the date and time by which the completed tender document is received by the Trust/Academy. Tenders are submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline are not accepted.

Tender Opening Procedures

172. All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:
- For contracts up to £25,000 - the budget holder, the GFC and the CFO.
 - For contracts over £25,000 - the **CEO** or the **CFO** plus a member of the Finance and Audit Committee and the Corporation Clerk.
173. A record of the names of the firms submitting tenders and the amount tendered will be completed and retained. The record is signed by all parties present at the tender opening.

Tendering Procedures

174. The evaluation process should involve at least two people, at least one of whom should have sufficient technical knowledge to assess the offer. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.
175. Those involved in making a decision must take care not to accept gifts or hospitality from potential

suppliers that could compromise or be seen to compromise their independence.

176. Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Finance and Audit Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Finance and Audit Committee.
177. The accepted tender should be the one that is economically most advantageous to the Academy/School. All parties are then informed of the decision.
178. Where a third party is used to oversee the tender procedure the procedures outlined above must be followed.

Insurance

179. The Finance and Audit Committee reviews insurance arrangements annually. They ensure that the sums insured are commensurate with the risks facing the Trust and include cover for Trust and Academy property when off the premises.
180. The Trust has opted in to the Department for Education's Risk Protection Arrangements. RPA does not cover all risks, transport and mechanical inspection being the two significant examples. Consequently the CFO must ensure that appropriate cover is obtained for all risks falling outside the RPA policy that can be insured against.
181. Budget holders must ensure all valuable are kept under lock and key when not being used in a supervised manner.
182. The first £500 of replacement has to be funded by the department concerned as no budget is held centrally. Items under £500 will receive no insurance pay out and it is up to the department concerned as to whether the item is replaced or not.

Trustees and Governors Expenses

183. All Trustees, Governors, and Trustees of Richard Huish Trust are entitled to claim the actual costs, which they incur as follows:
 - childcare or baby-sitting allowances (excluding payments to a current/former spouse or partner)
 - cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner)
 - the extra costs they incur in performing their duties because they have a special needs
 - the cost of travel relating only to travel to meetings/training courses at a rate of 45 pence per mile which does not exceed the specified rates for Academy personnel
 - travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the any other source
 - telephone charges, photocopying, stationery, postage etc.
 - any other justifiable allowances
184. The Board of Trustees and Local Advisory Body (LAB) Governors acknowledge that:
 - They are not be paid attendance allowance

- They are not reimbursed for loss of earnings
185. Trustees, Governors or Trustees wishing to make claims under these arrangements must complete a claims form from The Clerk to the Corporation/LAB together with the relevant receipts. The form must be submitted to the Finance Service within two weeks of the date when the cost were incurred. Claims will be submitted for approval to the Chair of Trustees for the Trust, the Chair of Governors for the LAB or the Chair of Trustees in the case of a designated founding member.
186. Claims will be subject to independent audit and may be investigated by the Chair of Trustees of the Trust if they appear excessive or inconsistent.

Gifts

187. Ordinarily gifts should be rejected, unless they are of negligible value (e.g. diaries, calendars). However, any gifts in excess of £25 or hospitality in excess of £50 are reported to the Corporation Clerk for Trustees, the LAB Clerk for governors or the CFO for staff in order to protect the individual receiving the gift. This is particularly important where the person receiving the gift is a budget holder, has the ability to influence purchasing decisions or regularly receives reimbursement from the school for items other than travel expenses (see Code of Conduct for Trust Trustees, Founder members and Local Area Board Governors and Gifts and Hospitality Policy for staff Policy for further details).
188. Gifts that have been reported are entered onto the gifts and hospitality register maintained by the roles outlined above.
189. A review of the gifts and hospitality register should be reviewed by the Finance and Audit Committee on an at least annual basis. Where the receipt of a gift has the potential to undermine the 'arms-length' nature of any contractual relationship with a third party it is the responsibility of the register owner to inform the Chair of the Finance and Audit Committee. If the gift has been received by the Chair of the Finance and Audit Committee the register owner must inform the Chair of the Trust Corporation.

Energy Management

190. The Estates Management Service is responsible for recording, monitoring and analysing water, gas and electricity consumption on a monthly basis at The Taunton Academy. Meters should be check before authorising any invoices from the utilities providers. Any discrepancies or unusual reading should be raised with the GFC immediately. The Estates Management Service ensures that the school's heating system is operated and run as efficiently as possible.
191. Where an Academy/School member has full financial delegation the responsibility for the monitoring of utilities as described above rests with the school business manager or school secretary.
192. The CFO ensures that the Trust is purchasing energy at the most competitive prices available.
193. All staff have the responsibility to work in an energy efficient manner at all times (e.g. turning off computers, lights and heating when not required).

Fraud, Bribery and Corruption

194. The Trust does not tolerate fraud, bribery or corruption. The Trust has separate policies for Fraud and Anti-Bribery and Corruption. Any Trustee/LAB Governor or member of staff whose actions could

be construed as fraudulent, corrupt or being in receipt of a bribe will be dealt with under the relevant policy.

Whistleblowing

195. The Trust has a separate Whistleblowing Policy. Any member of staff should direct their complaint in the first instance to the Academy Head Teacher. If the complaint involves the Head Teacher the complainant should report their concerns to the Clerk to the LAB.

Leasing

196. As determined within the Academies Financial Handbook, Finances Leases represent a form of borrowing and are therefore not permitted under any circumstances.
197. Operating leases can be entered into, typical examples being for photocopier fleets or IT equipment. Where a lease is being considered any decision must follow the basic principles of best value. In any event an operating lease shall not be entered into for any period beyond three years.

Pooling of GAG

198. The Trust does not currently pool the GAG it receives on behalf of Academies within the group. A levy will be charged annually for the purpose of covering the costs associated with running the Trust and will be on a pro-rata basis using the GAG for each Academy as the basis.

VAT

199. The GMA is responsible for submitting the VAT return on behalf of the Trust on a quarterly basis.
200. VAT records will be kept by each Academy/School by the business manager/Secretary or Finance Services staff member. Each quarter the GMA will combine the VAT transactions for each Academy/School and submit the VAT return. Transactions at Academy/School level are recorded in the Civica finance system net of VAT. On receipt of the VAT refund the appropriate VAT control accounts held on the central Trust Balance Sheet are updated by the Finance Service.

Fixed assets

201. The Academies Financial Handbook should be referred to for up to date instruction with regards to the purchase, recognition and disposal of assets

Asset register

202. All items purchased with a value over the Academy/School capitalisation limit of £1,000 must be entered on to the fixed asset register on the Financial Information System with the following details:
- asset description
 - asset number
 - serial number
 - date of acquisition
 - asset cost
 - source of funding (% of original cost funded from grant and % funded from other sources)
 - expected useful economic life

- depreciation
- current book value
- location
- name of member of staff responsible for the asset

203. The asset register helps:

- ensure that staff take responsibility for the safe custody of assets
- enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- to manage the effective utilisation of assets and to plan for their replacement
- help the external auditors to draw conclusions on the annual accounts
- support insurance claims in the event of fire, theft, vandalism or other disasters

204. Examples of items to include on the asset register include:

- ICT hardware and software (this list can be combined and used to identify software licences to ensure the school is complying with legislation)
- Reprographic equipment – photocopiers, comb binders, laminators
- Office equipment – fax machines, shredders, switchboard
- Furniture
- AVA equipment – TVs, video/DVD players, OHPs, cameras, speakers
- Cleaning equipment – vacuum cleaners, polishers
- Catering equipment – ovens, fridges, dishwashers, food processors
- Technology equipment – sewing machines, craft machinery
- Premises equipment – lawn mowers, power tools, generators
- Other equipment – musical instruments, PE equipment
- Mini buses

205. Items with a value of less than £1000 but that are still considered to be intrinsically valuable – cameras, scientific equipment, workshop equipment etc. should be recorded on an equipment inventory by the particular department that has purchased the item.

Security of assets

206. All the items in the register are permanently and visibly marked as the Academy/School property.

207. Equipment is, where possible, stored securely when not in use.

208. An annual reconciliation is undertaken by the GFC or their nominated representative. This person must be different from the preparer of the asset register. Where discrepancies between the physical count and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the governing body.

Disposals

209. Disposals, where applicable, must be made in line with instructions contained within the Academies Financial Handbook.

210. Items that are to be disposed of by sale or destruction must be authorised for disposal by the CFO and, where significant, should be sold following competitive tender. The Trust must seek the approval of the ESFA in writing if it proposes to dispose of an asset for which capital grant in excess of £20,000 was paid.

Loan of Assets

211. Items of academy property must not be removed from Academy/School premises without the authority of the Head Teacher, or in their absence a member of the senior team. A record of the loan must be recorded in a loan book and booked back in when it is returned. If the loan item is of material value, i.e. in excess of £1,000, the Head Teacher must confirm that the lender has appropriate insurance in place to cover the loss of or damage to the asset.
212. If assets are on loan for extended periods or to a single member of staff on a regular basis the situation may give rise to a 'benefit-in-kind' for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the academy's auditors.